

Washington, DC – Today, Congressman Harry Teague voted to pass the Wall Street Reform and Consumer Protection Act, the most comprehensive financial legislation since the Great Depression and a powerful response to the 2008 financial meltdown and resulting economic recession. The legislation reins in Wall Street, ends taxpayer bailouts of big banks, and creates a consumer financial protection bureau. The bill also seeks to prevent failing banks and other financial institutions from becoming “too big to fail” and weakening the national economy.

The Wall Street Reform and Consumer Protection Act also makes important distinctions between the independent banks and small businesses that line the main streets of New Mexico communities and the risky practices of Wall Street giants. While taking on the egregious practices of Wall Street that caused the financial meltdown, the bill protects responsible community banks, credit unions and small business from unnecessary regulatory burdens.

Harry Teague issued this statement on the legislation:

“The recent breakdown of our country’s financial system made it clear that we need to change how Wall Street operates. Families across New Mexico should not be struggling to make ends meet while big banks continue to get richer thanks to abusive lending practices. The bill we passed today will end the era of Wall Street bailouts, crack down on dangerous and predatory lending practices and ensure that taxpayers on Main Street won’t be forced to pay for risky behavior and other mistakes made on Wall Street.

“I had concerns with the original legislation passed by the House last year, but I am confident that this conference report protects small community banks and credit unions and that it improves enforcement and imposes stricter penalties all without creating a new, expensive government agency.

“The reform passed today is the most comprehensive financial legislation since the Great Depression, which is appropriate because it will make sure our country doesn’t suffer an economic crisis like that again. The Wall Street Reform and Consumer Protection Act is a common-sense bill that will also ensure that failing financial institutions don’t get deemed “too big to fail” and end up derailing our entire financial system and our nation’s economy.”

Bill Background:

The Wall Street Reform and Consumer Protection Act will help prevent the risky financial practices that led to the financial meltdown and stop large financial firms from gambling with Americans’ retirement and college savings and home values. In addition, taxpayers will no longer pay the price for Wall Street’s irresponsibility. The bill creates a process to shut down large, failing financial institutions whose collapse would put the entire economy at risk. After exhausting a company’s assets, additional costs would be covered by a “dissolution fund” paid for by financial firms instead of American taxpayers.

The bill will also create the Consumer Financial Protection Bureau (CFPB), a new consumer watchdog devoted to protecting Americans from unfair and abusive financial practices. This independent bureau will provide clear and accurate information to families and small businesses

to ensure that bank loans, mortgages, and credit cards are fair and affordable. Just like the FDA does for medical safety, the CFPB will set safety standards to prevent practices such as hidden credit card fees, deceptive “fine print,” and other financial abuses that have escaped oversight for far too long.

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